

This Section for DOGM Use:

Assigned DOGM File No.: S 10-31049

DOGM Lead: LMK

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5291

Fax: (801) 359-3940

*Paid fee
100⁰⁰ 9-1-98*

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: Gold Star Quarries
2. Name of Operator/Applicant: K Four Ranch Inc. *- per phone call & fee payment ok*
Barry R. Peterson
Company () Corporation () Partnership (X) Individual ()
3. Permanent Address: 11648 So 600 W
City: OKLEY State: ID Zip Code: 83346
Telephone Number: (208) 862 3620

4. Ownership of Land Surface:

Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐

State Trust Land/School Sections ☐ State Sovereign Lands ☐

Other (please describe): _____

Name Pickett Ranch + Sheep Address OKLEY, ID 83346
Name _____ Address _____
Name _____ Address _____
Name _____ Address _____

5. Ownership of Minerals:

Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐
 State Trust Land/School Sections ☐ State Sovereign Lands ☐
 Other (please describe): _____

Name _____ Address _____
 Name _____ Address _____
 Name _____ Address _____
 Name _____ Address _____

Utah Mining Claim Number(s): _____

Utah State Lease Number(s): _____

Name of Lessee(s) _____

6. Have the above surface and mineral owners been notified in writing?
 Yes _____ No X

If no, why not? Blm - we are in process

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

7. Does the operator have legal right to enter and conduct mining operations on the land covered by this notice? Yes X No _____

II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. Project Location (legal description):

County(ies): Box Elder County

E 1/4 of NE 1/4, of _____ 1/4: Section: 21 Township: 14 N Range: 17 W
W 1/4 of NW 1/4, of _____ 1/4: Section: 22 Township: 14 N Range: 17 W
 _____ 1/4, of _____ 1/4, of _____ 1/4: Section: _____ Township: _____ Range: _____

2. A topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the operator also plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.

III. OPERATION PLAN (Rule R647-3-106)

1. Type of mining: Surface ☒ Underground ☐
2. Mineral(s) to be mined: Quartzite Stone
3. Provide a brief description of the proposed mining operation and onsite processing facilities. excavators will be used to loosen stone so men can stack on pallets. some of this may be done at the quarry site. Some stone maybe bulk loaded onto trucks and transported to valley to be palletized.
 - ☐ New Road(s): Length Using existing roads (ft) Width _____ (ft)
 - ☐ Improved Road(s): Length _____ (ft) Width _____ (ft)
 - Total project surface acreage to be disturbed: 2.8 per map sheet (acres)
 - Proposed startup date of project (month, year) _____
 - Proposed completion date of project, if known (month, year) _____

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

1. Keep the mining operation in a safe, clean, and environmentally stable condition.
2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
6. Remove all waste or debris from stream channels.
7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
8. Conduct mining activities so as to minimize erosion and control sediment.
9. Reclaim all roads that are not part of a permanent transportation system.

10. Stockpile topsoil and suitable overburden prior to mining.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seedbed to a depth of six inches by ripping, discing, or harrowing.
13. Reseed disturbed areas with adaptable species. (The Division recommends seeding 20 lbs./acre of native and introduced species of grass, forb, and browse seed, and will provide a specific species list if requested.)
14. Plant the seed with a rangeland or farm drill, or if broadcast seeded, harrow or rake the seed 1/4-1/2 inch into the soil - fall is the preferred time to seed.

V. **VARIANCE REQUEST** (Rule R647-3-110)

Yes ☒ No ☐

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

| <u>Item Number</u> | <u>Variance Request Justification</u> |
|--------------------|---|
| 10-14 | Topsoil and overburden pile was created before we filed permit, by other parties. |
| | |
| | |
| | |

VI. **PERMIT FEE** [Mined Land Reclamation Act 40-8-7(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7 (i)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter.

Small Mining Notices require a \$100.00 fee which must accompany this application.

VII. **SIGNATURE REQUIREMENT**

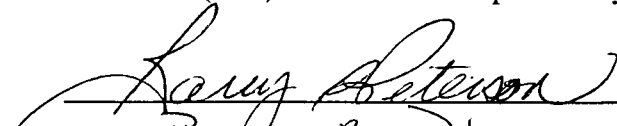
I hereby commit to conduct mining operations and to reclaim the aforementioned small mine as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

Signature of Operator/Applicant:

Name (typed or printed):

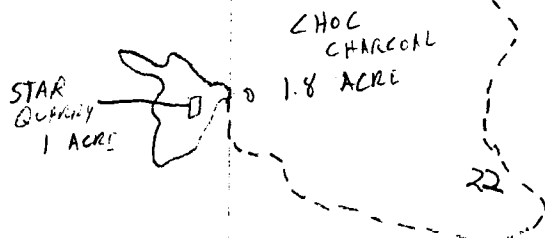
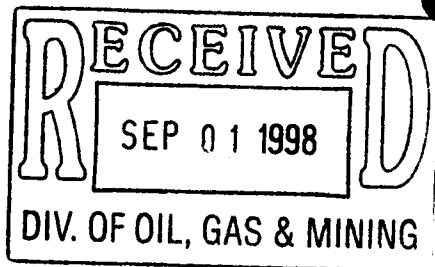
Title/Position (if applicable):

Date:

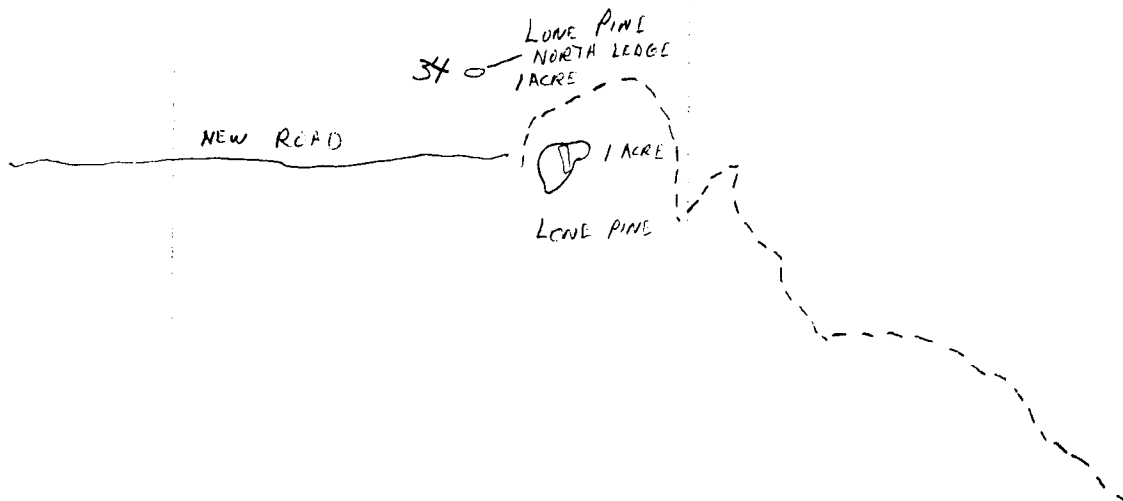


 Barry R. Peterson

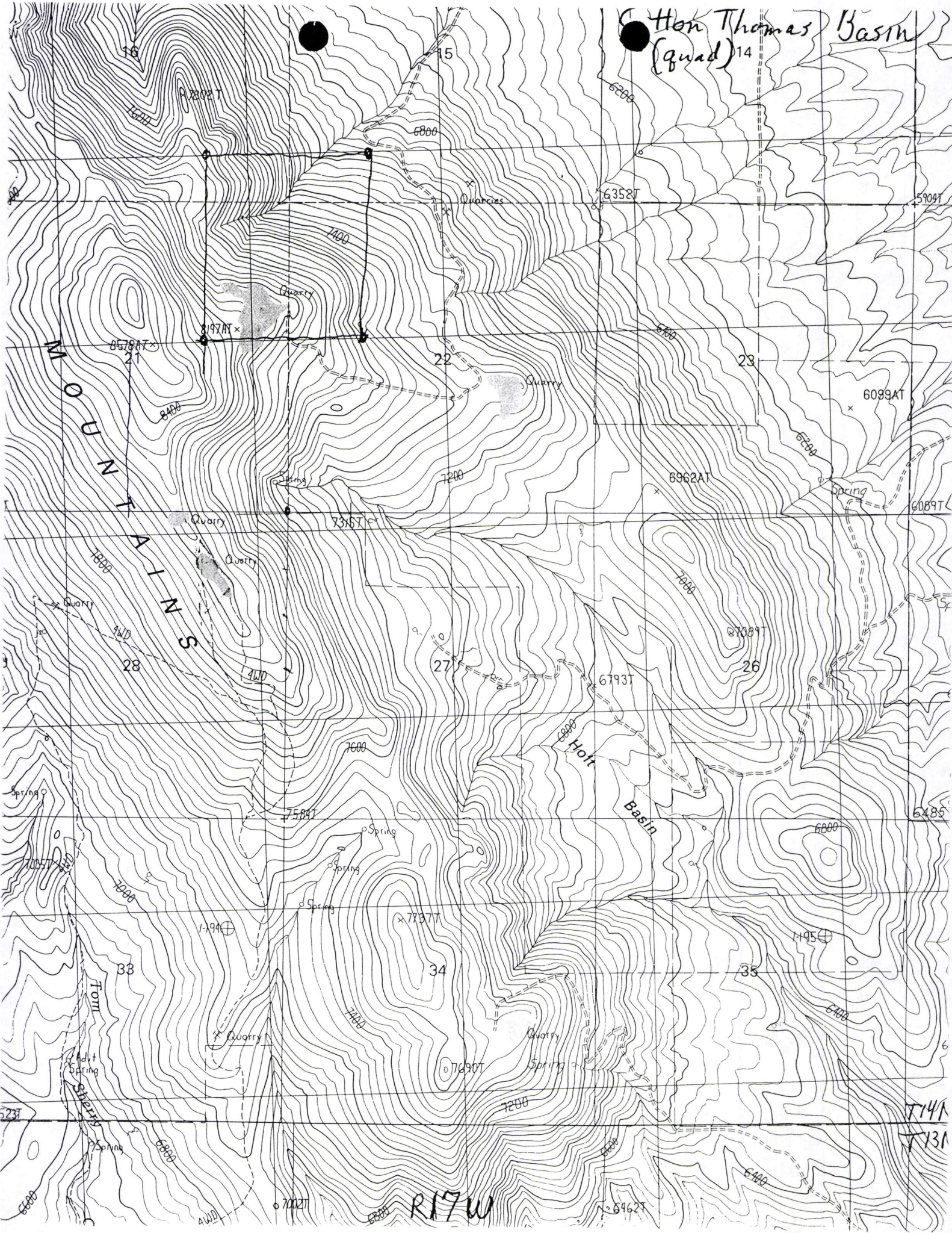
 Sept. 1, 1998

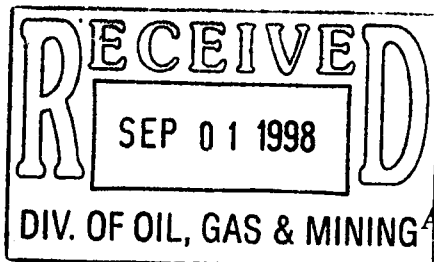


27



Hon Thomas Basin
(quad) 14





ASSIGNMENT AND ASSUMPTION OF LEASE

This Assignment and Assumption of Lease is made and entered into this 21 day of August, 1998, by and between Lone Pine Quarries, Inc. ("Lone Pine"), a Utah Corporation, as "Assignor", K4 Ranch, Inc. ("K4"), an Idaho Corporation, as "Assignee", Barry R. Peterson, an individual ("Peterson"), an Ernie Ray Hale, an individual ("Hale").

WHEREAS, on or about March 14, 1985, Hale and Lyn Hale, as lessees, and Don Nelson, Keith Nelson and Ila Nelson, as lessors, entered into that certain lease agreement, a copy of which is attached hereto as exhibit A (the "Nelson Lease"), and

WHEREAS, on or about April 14, 1998, Hale and Lynn Hale assigned all of their right, title, and interest under the Nelson Lease to Lone Pine, a copy of which assignment is attached hereto as exhibit B, and

WHEREAS, on or about May 21, 1994, Rachel Bartholomeu or Hale, as lessee, and Hazel Briggs, Kenneth R. Briggs and Janet K. Briggs, as lessors, entered into that certain lease agreement, a copy of which is attached hereto as exhibit C, (the "Briggs Lease"), and

WHEREAS, on or about February 27, 1985, Rachel Bartholomeu assigned all of her right, title, and interest in and to the Briggs Lease to Hale and Lyn Hale, a copy of which assignment is attached hereto as exhibit D, and

WHEREAS, on or about April 14, 1988, Hale and Lynn Hale assigned all of their right, title, and interest in and to the Briggs Lease to Lone Pine, a copy of which is assignment is attached hereto as exhibit E, and

WHEREAS, Hale and Peterson desire that Lone Pine assign all of its right, title, and interest in and to the Nelson Lease and the Briggs Lease to K4, and

WHEREAS, Lone Pine is willing, upon the terms and conditions hereof, to assign all of its right, title, and interest in the Nelson Lease and the Briggs Lease to K4,

NOW THEREFORE, in consideration of the premises and the terms and conditions hereof, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Lone Pine hereby assigns, transfers, and quit-claims to K4 all of Lone Pine's right, title, and interest in and to the Nelson Lease and the Briggs Lease.
2. Lone Pine understands and believes that it has good right, title, and interest in and to the Nelson Lease and the Briggs Lease without valid or conflicting claims from others, and that such leases are current and in good standing, but Lone Pine makes no representations or warranties concerning such conditions, or any other aspects of the leases, and K4 accepts the assignment of such leases as herein provided in their current condition, on an "as is" basis, and

based upon its own inquiries, investigation, and knowledge and upon the inquiries, investigation and knowledge of Hale and Peterson concerning the leases.

3. K4 accepts and assumes the lessees' interest under the Nelson Lease and the Briggs Lease and the terms, conditions, and provisions thereof that are to be kept, observed, and performed by the lessees thereunder, and K4, Peterson, Hale shall indemnify and hold Lone Pine harmless of and from any and all payments, actions, suits, damages, claims, and demands whatsoever arising by reason of any act or omission of K4 with respect to the obligations to be performed by lessees under the Nelson and Briggs Leases and the obligations herein assumed by K4, Peterson and Hale, including reasonable attorneys fees and other costs incurred by Lone Pine by reason thereof.

4. Approximately one hundred tons of rock have been quarried and stored on pallets at the top of a hill on the Briggs Lease premises together with a bundle of plywood. Within three weeks from August 20, 1998, such rock and plywood will be delivered to State Stone Corporation ("SSC") without charge by or obligation to K4, Hale, or Peterson. On such basis K4 and Hale shall cause such rock and plywood to be transported from the top of such hill to the loading area at the bottom of the hill and to be loaded upon trucks of or provided by SSC. Hale shall personally supervise such transporting and loading, which shall be done in such manner as to cause no damage to the rock or plywood, and when loaded, such rock and plywood shall be in the same condition in which it presently exists at the top of the hill.

5. The purchase price for the assignment of leases as herein provided, shall be as follows:

- a. K4 shall pay to Lone Pine \$20,000.00 in the form of Cashier's Check or wire transfer of funds to an account to be provided by Lone Pine.
- b. K4 shall pay \$2,000.00 to SSC to reimburse it for 1998 royalties advanced by SSC in the amount of \$1,000.00 for each assigned lease. Such amount shall be paid by Cashier's Check or wire transfer of funds to an account to be provided by SSC.
- c. Hale shall surrender and deliver to Lone Pine all shares of stock owned by Hale in Lone Pine. Hale shall thereafter have no ownership of shares in Lone Pine.
- d. Hale surrenders any option or right of first refusal that may be held by him to purchase shares of other shareholders in Lone Pine and to purchase shares of any shareholder in SSC, and any and all such options or rights of first refusal are hereby terminated.

6. Hale represents and warrants that there are no liens or encumbrances against his Lone Pine shares or against the options or rights of first refusal to purchase Lone Pine or SSC shares referred to in the preceding paragraph and that no other person or party has any interest in or claim to any of such shares, options, or rights of first refusal. Hale shall indemnify and hold harmless Lone Pine and each effected shareholder from and against any such liens, encumbrances,

interests, claims, options, or rights of first refusal, including reasonable attorneys' fees and expenses in defending against the same.

7. The Nelson Lease requires the consent of lessors for any assignment of that lease. It is acknowledged that Lone Pine has not obtained such consent, but Hale has represented that he has or can obtain such consent from the lessors, and he undertakes to acquire such consent, which obligation by Hale is accepted by K4, and K4 shall not look to Lone Pine to obtain such consent and shall not seek to invalidate this assignment or pursue any claim against Lone Pine if such consent has not been obtained or cannot be obtained.

8. This agreement shall be complete and binding upon the parties only when executed by all parties and upon receipt of all funds and consideration provided to be paid and provided as part of the purchase price as above set forth.

IN WITNESS WHEREOF, this agreement is executed as of the date and year first above written and is executed by each of the parties on the dates indicated opposite their signatures below.

LONE PINE QUARRIES, INC.

By Keith P. MacKay
Keith P. MacKay, President

8-20-98
Date

K4 RANCH, INC.

By Barry R. Peterson
Barry R. Peterson, President

8-20-98
Date

Ernie Ray Hale
Ernie Ray Hale, Individually

8-21-98
Date

Barry R. Peterson
Barry R. Peterson, Individually

8-20-98
Date

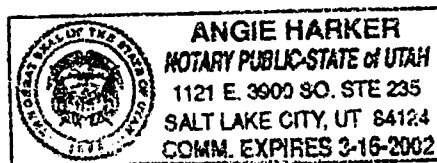
STATE OF UTAH)
)
) :ss
COUNTY OF SALT LAKE)

The forgoing instrument was acknowledged before me this 20th day of August, 1998, by Keith P. MacKay who executed such instrument in the capacity indicated.

My Commission Expires:

3-16-02

Angie Harker
Notary Public
Residing at: 1121 E. 3900 S.



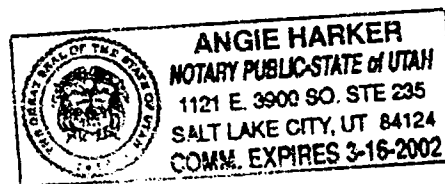
STATE OF UTAH)
)
) :ss
COUNTY OF SALT LAKE)

The forgoing instrument was acknowledged before me this 20th day of August, 1998, by Barry R. Peterson who executed such instrument in the capacities indicated.

My Commission Expires:

3-16-02

Angie Harker
Notary Public
Residing at: 1121 E. 3900 S.



STATE OF IDAHO)
)
) :ss
COUNTY OF Cassia)

The forgoing instrument was acknowledged before me this 21 day of August, 1998, by Ernie Ray Hale who executed such instrument in the capacity indicated.

My Commission Expires:

23 June 1999

Ernie Clark
Notary Public
Residing at: Oakley ID